

Suggested Addition to S. 3418,

CONFIDENTIAL COMMITTEE PRINT NO. 5

Sec. 203(d). None of the provisions of this Act shall  
be construed so as to affect the authorities and  
responsibilities of the Director of Central Intelligence  
under the National Security Act of 1947, as amended,  
( 50USCA 402 <sup>et seq.</sup> ) or the Central Intelligence Act of 1949,  
as amended ( 50 USCA 403 ).

20 August 1974

*ole 74-1853*

MEMORANDUM FOR THE RECORD

SUBJECT: Impact of Privacy Legislation

In response to a request from OLC, the undersigned attempted to formulate the cost of privacy provisions contained in H. R. 12206, as presented in the attachment to OMB's letter of 8 August 1974 on the same subject. On the assumption that a system would have to be designed to include both American and foreign nationals, it was estimated that the development cost would be \$1,076,000. This consisted of:

- Software development -
- Five man-years at \$100,000
- Central processing unit time (CPU) \$500,000
- Terminals \$50,000
- Staff of 8 professionals \$160,000
- Staff of 7 clericals \$56,000

Further, it was assumed that conversion of present files to a machine file system would be done at the rate of two million entries. This would be five man-years at \$30,000 or a total of \$210,000 for this, reaching the total of \$1,076,000. Recurring costs for this system would be \$40,000 for software maintenance, \$250,000 worth of CPU time, \$160,000 of professional man-years and \$56,000 of clerical man-years for a total recurring cost of \$506,000.

If only American citizens are considered, developmental costs would be \$766,000, consisting of \$650,000 for software development (this is the same cost as under foreign nationals and Americans), a staff cost of \$86,000 and a \$30,000 conversion. Recurrent costs would be \$376,000, consisting of

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\$290,000 for software maintenance (which is the same as under the foreign national program) and \$86,000 for staff.

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